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C O N F I D E N T I A L SECTION 01 OF 02 YEREVAN 000356

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TAGS: [PGOV](#) [AM](#)
SUBJECT: CABINET DISSOLVED WITH PM MARGARIAN'S DEATH,
CARETAKER TO BE APPOINTED

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Classified By: Steve Banks, Pol/Econ chief, reasons 1.4 (b,d)

11. (C) SUMMARY: The prime minister's sudden death March 25 automatically dissolved the cabinet. Sources tell us that President Kocharian will appoint an acting PM--possibly Serzh Sargsian--to lead a caretaker government. The constitutional timeframe for replacing a deceased prime minister in this case intersects with the election calendar. The effect is that there will now be simply a caretaker government, comprised of all the same ministers but lacking full cabinet authority, from now until a new government is formed after the May 12 election. The GOAM has begun to inquire about U.S. plans for a funeral delegation. A delegation from the State Department would make a strong local impression. Local commentators can probably be counted upon to draw comparisons with U.S. participation in Georgian PM Zurab Zhvania's funeral in 2004.END SUMMARY

12. (C) PM MARGARIAN DIES: Prime Minister Andranik Margarian died March 25, at the age of 55, of an apparent heart attack at approximately 1:30 pm local time. Margarian, a heavy smoker, had a history of heart disease, for which he had sought medical treatment in France in 2006. There has been no speculation of anything but a natural death. The event caught the government unprepared; it was hours before anything beyond a bare announcement of the PM's death appeared on local media. Our first indication came from NDI's chief of party, who coincidentally was in the middle of an offsite training seminar for some 150 ruling Republican Party activists when word reached the conference center, sending the party officials scrambling for the cars to race back to Yerevan for deliberations. The event triggered emergency sessions of the National Security Council, the (technically dissolved) cabinet, and the Republican Party Board.

13. (C) FUNERAL ARRANGEMENTS: The Government has announced that a public wake will be held at the Opera House from 12:00 until 2:00 pm Wednesday, March 28, and the funeral cortege will depart from the Opera House to the cemetery at 3:00 pm for a graveside service. The diplomatic corps and foreign delegations will be invited to both events. The family is having a smaller ceremony at the late PM's home on Tuesday evening, March 27, at 6:00 pm. The embassy has arranged for flowers and a wreath to be delivered to the home and to the Opera House, respectively, conforming to local expectations.

14. (C) NEXT STEPS: The Armenian constitution provides that the Council of Ministers (cabinet) is automatically dissolved upon the death or incapacity of the sitting prime minister. According to the constitution, the president has up to ten days to appoint a new prime minister, who then has 20 days to form

a new cabinet. The new cabinet then has 20 days to enact a program for the new government, and the National Assembly has five days to approve the new program. Those various time periods, added together, would take us past the May 12 election day, making the whole effort somewhat pointless.

¶5. (C) BUYING TIME: The president has two basic choices: either A) to act as quickly as possible to push through all the steps of appointing a new, fully-empowered PM and cabinet with a government mandate and parliamentary approval, or B) instead to stretch the whole process out as long as possible, to avoid going through the motions of forming a government that could only run for a few weeks before the election. Justice Minister Harutunian, who was present at the cabinet meeting, told CDA on March 26 it would be option "B" and not to expect any changes in the cabinet. Harutunian and the president's economic adviser each told us Kocharian will wait until the tenth day to appoint an acting prime minister. Meanwhile, all the existing ministers will be named to continue acting in their previous capacities, with the understanding that they are effectively coasting until Election Day. Harutunyan told us that, though they are still studying the legal requirements, it may be necessary for the caretaker prime minister to resign and then be re-appointed, in order to reset the clock and avoid the necessity of developing a new government program before Election Day. Meanwhile, the Republican Party has already announced that Serzh Sargsian has taken over Margarian's former position as party chairman (moving up one spot from Sargsian's previous position as chair of the party board).

¶6. (C) IMPLICATIONS FOR GOVERNANCE: Without having completed all the constitutionally-required steps of forming a new government, with parliamentary approval, according to Harutunian, the caretaker cabinet lacks its legal decision-making authority to enact decisions as the Council of Ministers, for example to pass certain types of decree or

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to refer proposed legislation to the parliament. Meetings of the caretaker cabinet can only be convened by the president, lacking a permanent prime minister. That said, with so few weeks to go before Election Day, and the formal start of the campaign period begins April 8, most business that needed to be done before the election has already been dealt with.

From our own parochial perspective, it is convenient that Prime Minister Margarian had already signed on Friday, in one of his last official acts, documents necessary for disbursement of the next tranche of MCC funds this quarter.

¶7. (C) WHO'S IT GOING TO BE?: While Justice Minister Harutunyan refused to reveal whom the president had in mind to appoint as interim prime minister, presidential economic adviser Vahram Nercissiantz and local media speculation suggest it will be current Defense Minister Serzh Sargsian. The press reports that President Kocharian agreed that the PM slot should stay with Margarian's Republican Party. Sargsian may choose to forego the honor so that he can focus on the campaign. In that case, Minister for Territorial Administration Abrahamian--who usually filled in for Margarian during the former PM's travel--would probably get the nod.

GODFREY